

## **Remarks**

### **“Why Intellectual Property Rights Should Be Protected”**

By U.S. Ambassador Daniel L. Shields III  
at the screening of *Illicit: The Dark Trade*  
Law and Courts Building, Jalan Tutong  
*2:30-4:30pm on April 26, 2012*

- There is nothing modern about piracy or counterfeiting. Whenever and wherever commerce has expanded, pirates and counterfeiters have soon followed, drawn by the lure of gullible consumers and quick profits.
- Counterfeiters and copyright pirates have become tech savvy and expert at industrial production and marketing, devastating local film and recording industries around the globe, stealing all manner of knowledge-based products, and trading in faux goods and brands at an alarming rate and in alarming quantities.
- The rising tide of intellectual property piracy and counterfeiting is washing over the economies and markets of nearly every country in the world.
- An entire generation of students and citizens, educated and entertained with the stolen product of someone else's creativity, is coming to believe that not only are the fruits of such piracy acceptable, but that such piracy itself is neither immoral nor illegal.
- And millions, if not billions, of consumers have convinced themselves that there is no real harm in buying fake goods or that what they are doing is a “victimless” crime at worst.
- Nothing, however, could be further from the truth.
- The average consumer encounters daily more than a thousand products or goods that have IPR protection, and intellectual property is at the root of modern economies and inseparable from one's daily life.
- IPR protects a wide range of products, including entertainment and educational content, like motion pictures, music, software, and books, everyday consumer and personal care products, like toothpaste, cosmetics, and medicine, automotive, and motorcycle parts,

communications, electronics, and computer chips. In other words, everything from heart valves and i-Pads to the clothes you wear and the food you consume.

- Estimates of global economic losses due to counterfeiting and piracy run to as high as \$250 billion a year. The estimated losses to ASEAN economies taken as a whole from all IP infringement and theft is likely more than US\$500 million annually.
- The scale of the IP problem is beyond alarming. Between 7-10% of all trade in hard goods globally is estimated to be counterfeit goods, meaning every consumer has a chance of encountering counterfeit goods, and if you live in a prosperous country like Brunei, the likelihood increases dramatically and disastrously in some cases.
- While economic, commercial and trade estimates of such losses are clear and compelling and have been well documented, the loss in life and injury to human beings is both more elusive and more staggering.
- Various experts and international organizations, including the World Health Organization and the U.S. Centers for Disease Control, estimate that millions annually die or suffer injuries or illness as a result of counterfeit products.
- The profits to organized criminal groups from IP theft and crime on a commercial scale, and the corrosive results it breeds through money-laundering, political corruption and official graft, is devastating to governments, society, law enforcement and the rule of law.
- Such criminal IP operations have become part of an intricate web of organized crime with links to drug cartels and terrorist organizations, all involved in a panoply of other crimes and nefarious activities, including money-laundering, arms dealing and human trafficking.
- High standards for IP protection and enforcement will be a major component of the Trans-Pacific Partnership Agreement (TPP), a free trade agreement which is in negotiation currently among Australia, Brunei Darussalam, Chile, Malaysia, New Zealand, Peru, Singapore, the United States, and Vietnam,...

- As ASEAN moves to full market integration and the creation of the ASEAN Economic Community in 2015, fully implements the ASEAN Framework for Intellectual Property, and harmonizes the individual member state approaches to IP protection and enforcement, greater transnational and regional cooperation, leadership, and resources will be needed to make stronger protection and enforcement of intellectual property in ASEAN a reality.
- The U.S. Government is committed to a sustained effort of working with countries to develop and implement intellectual property enforcement training and capacity-building in raising public awareness and education about the importance of such protection and enforcement to a country's economic future.
- Yet the real battle against IP crime is not just about the balance of trade -- it is a battle over the hearts and minds of a generation of consumers who may increasingly find that access to pirated materials is simply too easy to give up, that buying the cheapest product, albeit a fake one, is a habit very hard to break.
- Losing the battle to IP piracy will risk impoverishing us all of the fruits of creativity and innovation for generations to come.
- You are about to watch the video, 'Illicit: the Dark Trade', which shows just how damaging piracy is. I hope that as you learn about the true costs of piracy, you will be inspired to act. Please give a thought to how you can help to protect Brunei's innovative and creative industry; how you can help in the development of talented singers and songwriters like Aziz Harun, Jazz Hayat, and Hans Anuar; inventors like Hj Zupri Kamis; IT innovators like Keeran Janin (creator of YouGotSnapped), Indera Sejahtera (creators of where2kerja.com); and, animation artists like Ambuyart Animations; and how you can help to preserve local traditions and designs like the Kain Jongsarat. This is your future. I hope you choose to guard it wisely.